

HOUSE BILL NO. 10

INTRODUCED BY B. LAKE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE BUSINESS EQUIPMENT TAX EXEMPTION TO THE FIRST \$80,000 OF MARKET VALUE OF PROPERTY; PROHIBITING THE CLASS EIGHT PROPERTY FROM BEING SEPARATED INTO DIFFERENT BUSINESS ENTITIES FOR DETERMINING WHETHER THE \$80,000 EXEMPTION IS EXCEEDED; PROVIDING FOR THE ALLOCATION OF EXEMPT CLASS EIGHT PROPERTY BY LOCATION; PROVIDING A REIMBURSEMENT TO LOCAL GOVERNMENTS AND TAX INCREMENT FINANCING DISTRICTS UNDER THE ENTITLEMENT SHARE PAYMENT, ~~AND TO SCHOOL DISTRICTS THROUGH GUARANTEED TAX BASE FUNDING, AND TO THE MONTANA UNIVERSITY SYSTEM THROUGH SUPPORT OF PUBLIC EDUCATION INSTITUTIONS~~ FOR THE LOSS OF CLASS EIGHT PROPERTY TAX REVENUE; EXEMPTING FROM TAXATION ITEMS OF PERSONAL PROPERTY WITH A MARKET VALUE OF LESS THAN \$100; PROVIDING AN APPROPRIATION AND A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-1-121, 15-6-138, 15-6-219, 15-8-301, 15-10-420, 17-7-502, AND 20-9-366; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Reimbursement for class eight exemption -- distribution -- APPROPRIATION.** (1) For the exemption amount in 15-6-138, effective January 1, 2008, the department shall, by June 1, 2008, for calendar year 2008 estimate for each local government, as defined in 15-1-121(4), ~~and each tax increment financing district, AND THE 6-MILL UNIVERSITY LEVY FOR THE PURPOSES OF 20-25-423~~ the difference between property tax collections under 15-6-138 and the property tax revenue that would have been collected under 15-6-138. The difference is the reimbursable amount for each local government, ~~and EACH~~ tax increment financing district, AND THE 6-MILL UNIVERSITY LEVY FOR THE PURPOSES OF 20-25-423.

(2) (a) The department shall distribute the reimbursement to local governments with the entitlement distributions for fiscal year 2009 to local governments under 15-1-121(6). Local government reimbursements for subsequent years are made pursuant to the entitlement share recomputation as provided in 15-1-121(6).

(b) For fiscal year 2008, the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each local

government. By June 15, 2008, the department shall distribute the amount determined under this subsection (2)(b) for local governments as provided in 15-1-121(5)(a).

(c) The market value of class eight property exempted under 15-6-138 must be subtracted from the fiscal year 2008 total market value of class eight property when the department computes the value of newly taxable property for fiscal year 2009 under 15-10-420.

(3) (a) For each fiscal year beginning after June 30, 2008, the amount determined under subsection (1) for each tax increment financing district must be added to the entitlement share amount for the tax increment financing district as provided in 15-1-121(7)(b) if the tax increment financing district is still in existence. If a tax increment financing district that is entitled to a reimbursement under this section is not listed under 15-1-121(7), the reimbursement must be made to that tax increment financing district at the same time as other districts.

(b) For fiscal year 2008, the department shall determine from the amount calculated under subsection (1) the amount that is attributable to personal property taxes that are not a lien on real property for each tax increment financing district. By June 15, 2008, the department shall distribute the amount determined under this subsection (3)(b) to each tax increment financing district as provided in 15-1-121(7)(b) and to any other tax increment financing district that is entitled to a reimbursement under this section.

(4) (A) FOR EACH FISCAL YEAR BEGINNING AFTER JUNE 30, 2008, THE AMOUNT DETERMINED UNDER SUBSECTION (1) FOR THE 6-MILL UNIVERSITY LEVY MUST BE ADDED TO THE SUPPORT OF PUBLIC EDUCATION INSTITUTIONS AS PROVIDED IN 20-25-423.

(B) FOR FISCAL YEAR 2008, THE DEPARTMENT SHALL DETERMINE FROM THE AMOUNT CALCULATED UNDER SUBSECTION (1) THE AMOUNT THAT IS ATTRIBUTABLE TO PERSONAL PROPERTY TAXES THAT ARE NOT A LIEN ON REAL PROPERTY FOR THE 6-MILL UNIVERSITY LEVY. BY JUNE 15, 2008, THE DEPARTMENT SHALL DISTRIBUTE THE AMOUNT DETERMINED UNDER THIS SUBSECTION (4)(B) FOR THE SUPPORT OF PUBLIC EDUCATION INSTITUTIONS AS PROVIDED IN 20-25-423.

(C) THE AMOUNTS DETERMINED UNDER THIS SUBSECTION (4) ARE STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, FROM THE GENERAL FUND TO THE DEPARTMENT FOR DISTRIBUTION TO THE MONTANA BOARD OF REGENTS FOR THE SUPPORT OF PUBLIC EDUCATION INSTITUTIONS AS PROVIDED IN 20-25-423.

Section 2. Section 15-1-121, MCA, is amended to read:

"15-1-121. Entitlement share payment -- appropriation. (1) As described in 15-1-120(3), each local government is entitled to an annual amount that is the replacement for revenue received by local governments

1 for diminishment of the property tax base and various earmarked fees and other revenue that, pursuant to
2 Chapter 574, Laws of 2001, amended by section 4, Chapter 13, Special Laws of August 2002, and later
3 enactments, was consolidated to provide aggregation of certain reimbursements, fees, tax collections, and other
4 revenue in the state treasury with each local government's share. The reimbursement under this section is
5 provided by direct payment from the state treasury rather than the ad hoc system that offset certain state
6 payments with local government collections due the state and reimbursements made by percentage splits, with
7 a local government remitting a portion of collections to the state, retaining a portion, and in some cases sending
8 a portion to other local governments. The amount calculated pursuant to this subsection, as adjusted pursuant
9 to subsection (3)(a)(i), is each local government's base entitlement share. The department shall estimate the total
10 amount of revenue that each local government received from the following sources for the fiscal year ending June
11 30, 2001:

12 ~~—— (a) personal property tax reimbursements pursuant to sections 167(1) through (5) and 169(6), Chapter~~
13 ~~584, Laws of 1999;~~

14 ~~—— (b) vehicle, boat, and aircraft taxes and fees pursuant to:~~

15 ~~—— (i) Title 23, chapter 2, part 5;~~

16 ~~—— (ii) Title 23, chapter 2, part 6;~~

17 ~~—— (iii) Title 23, chapter 2, part 8;~~

18 ~~—— (iv) 61-3-317;~~

19 ~~—— (v) 61-3-321;~~

20 ~~—— (vi) Title 61, chapter 3, part 5, except for 61-3-509(3), as that subsection read prior to the amendment~~
21 ~~of 61-3-509 in 2001;~~

22 ~~—— (vii) Title 61, chapter 3, part 7;~~

23 ~~—— (viii) 5% of the fees collected under 61-10-122;~~

24 ~~—— (ix) 61-10-130;~~

25 ~~—— (x) 61-10-148; and~~

26 ~~—— (xi) 67-3-205;~~

27 ~~—— (c) gaming revenue pursuant to Title 23, chapter 5, part 6, except for the permit fee in 23-5-612(2)(a);~~

28 ~~—— (d) district court fees pursuant to:~~

29 ~~—— (i) 25-1-201, except those fees in 25-1-201(1)(d), (1)(g), and (1)(j);~~

30 ~~—— (ii) 25-1-202;~~

- 1 ~~—— (iii) 25-1-1103;~~
 2 ~~—— (iv) 25-9-506; and~~
 3 ~~—— (v) 27-9-103;~~
 4 ~~—— (e) certificate of title fees for manufactured homes pursuant to 15-1-116;~~
 5 ~~—— (f) financial institution taxes collected pursuant to the former provisions of Title 15, chapter 31, part 7;~~
 6 ~~—— (g) all beer, liquor, and wine taxes pursuant to:~~
 7 ~~—— (i) 16-1-404;~~
 8 ~~—— (ii) 16-1-406; and~~
 9 ~~—— (iii) 16-1-411;~~
 10 ~~—— (h) late filing fees pursuant to 61-3-220;~~
 11 ~~—— (i) title and registration fees pursuant to 61-3-203;~~
 12 ~~—— (j) veterans' cemetery license plate fees pursuant to 61-3-459;~~
 13 ~~—— (k) county personalized license plate fees pursuant to 61-3-406;~~
 14 ~~—— (l) special mobile equipment fees pursuant to 61-3-431;~~
 15 ~~—— (m) single movement permit fees pursuant to 61-4-310;~~
 16 ~~—— (n) state aeronautics fees pursuant to 67-3-101; and~~
 17 ~~—— (o) department of natural resources and conservation payments in lieu of taxes pursuant to Title 77,~~
 18 ~~chapter 1, part 5.~~
 19 ~~—— (2) (a) From the amounts estimated in subsection (1) for each county government, the department shall~~
 20 ~~deduct fiscal year 2001 county government expenditures for district courts, less reimbursements for district court~~
 21 ~~expenses, and fiscal year 2001 county government expenditures for public welfare programs to be assumed by~~
 22 ~~the state in fiscal year 2002.~~
 23 ~~(b)(2) The total amount estimated pursuant to subsections (1) and (2)(a) received in fiscal year 2007 as~~
 24 ~~an entitlement share payment under this section is the base component for the fiscal year 2008 distribution, and~~
 25 ~~in each subsequent year, the prior year entitlement share payment, including any reimbursement payments~~
 26 ~~received pursuant to subsection (6), is each local government's base year component. The sum of all local~~
 27 ~~governments' base year components is the base fiscal year entitlement share pool. For the purpose of calculating~~
 28 ~~the sum of all local governments' base year components, the base year component for a local government may~~
 29 ~~not be less than zero.~~
 30 (3) (a) The base fiscal year entitlement share pool must be increased annually by a growth rate as

provided for in this subsection (3). The amount determined through the application of annual growth rates is the entitlement share pool for each fiscal year. By October 1 of each even-numbered year, the department shall calculate the growth rate of the entitlement share pool for each year of the next biennium in the following manner:

(i) ~~Before applying the growth rate for fiscal year 2007 to determine the fiscal year 2007 entitlement share payments, the department shall subtract from the fiscal year 2006 entitlement share payments the following amounts:~~

| | |
|-----------------|-----------|
| Beaverhead | \$6,972 |
| Big Horn | \$52,551 |
| Blaine | \$13,625 |
| Broadwater | \$2,564 |
| Carbon | \$11,537 |
| Carter | \$407 |
| Cascade | \$157,151 |
| Chouteau | \$3,536 |
| Custer | \$7,011 |
| Daniels | \$143 |
| Dawson | \$3,893 |
| Fallon | \$1,803 |
| Fergus | \$9,324 |
| Flathead | \$33,655 |
| Gallatin | \$222,029 |
| Garfield | \$91 |
| Glacier | \$3,035 |
| Golden Valley | \$2,282 |
| Granite | \$4,554 |
| Hill | \$31,740 |
| Jefferson | \$5,700 |
| Judith Basin | \$1,487 |
| Lake | \$38,314 |
| Lewis and Clark | \$247,886 |

| | | |
|----|--------------|-----------|
| 1 | Liberty | \$152 |
| 2 | Lincoln | \$3,759 |
| 3 | Madison | \$8,805 |
| 4 | McCone | \$1,651 |
| 5 | Meagher | \$2,722 |
| 6 | Mineral | \$2,361 |
| 7 | Missoula | \$172,600 |
| 8 | Musselshell | \$23,275 |
| 9 | Park | \$6,582 |
| 10 | Petroleum | \$36 |
| 11 | Phillips | \$653 |
| 12 | Pondera | \$10,270 |
| 13 | Powder River | \$848 |
| 14 | Powell | \$5,146 |
| 15 | Prairie | \$717 |
| 16 | Ravalli | \$93,090 |
| 17 | Richland | \$3,833 |
| 18 | Roosevelt | \$9,526 |
| 19 | Rosebud | \$19,971 |
| 20 | Sanders | \$30,712 |
| 21 | Sheridan | \$271 |
| 22 | Stillwater | \$12,117 |
| 23 | Sweet Grass | \$2,463 |
| 24 | Teton | \$5,560 |
| 25 | Toole | \$7,113 |
| 26 | Treasure | \$54 |
| 27 | Valley | \$6,899 |
| 28 | Wheatland | \$918 |
| 29 | Wibaux | \$72 |
| 30 | Yellowstone | \$266,644 |

| | | |
|----|---------------------|-----------|
| 1 | Anaconda-Deer Lodge | \$20,707 |
| 2 | Butte-Silver Bow | \$53,057 |
| 3 | Alberton | \$675 |
| 4 | Bainville | \$258 |
| 5 | Baker | \$2,828 |
| 6 | Bearcreek | \$143 |
| 7 | Belgrade | \$11,704 |
| 8 | Belt | \$1,056 |
| 9 | Big Sandy | \$1,130 |
| 10 | Big Timber | \$2,910 |
| 11 | Billings | \$163,499 |
| 12 | Boulder | \$2,340 |
| 13 | Bozeman | \$52,805 |
| 14 | Bridger | \$1,303 |
| 15 | Broadus | \$766 |
| 16 | Broadview | \$258 |
| 17 | Brockton | \$414 |
| 18 | Browning | \$1,830 |
| 19 | Cascade | \$1,374 |
| 20 | Chester | \$1,430 |
| 21 | Chinook | \$2,275 |
| 22 | Choteau | \$3,050 |
| 23 | Circle | \$1,018 |
| 24 | Glyde Park | \$572 |
| 25 | Goldstrip | \$4,090 |
| 26 | Columbia Falls | \$6,805 |
| 27 | Columbus | \$3,245 |
| 28 | Conrad | \$4,562 |
| 29 | Culbertson | \$1,216 |
| 30 | Cut Bank | \$5,316 |

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|----|-------------|----------|
| 1 | Darby | \$1,348 |
| 2 | Deer Lodge | \$5,708 |
| 3 | Denton | \$503 |
| 4 | Dillon | \$6,928 |
| 5 | Dodson | \$194 |
| 6 | Drummond | \$561 |
| 7 | Dutton | \$661 |
| 8 | East Helena | \$2,888 |
| 9 | Ekalaka | \$689 |
| 10 | Ennis | \$1,518 |
| 11 | Eureka | \$1,733 |
| 12 | Fairfield | \$1,120 |
| 13 | Fairview | \$1,152 |
| 14 | Flaxville | \$143 |
| 15 | Forsyth | \$3,286 |
| 16 | Fort Benton | \$2,579 |
| 17 | Fort Peck | \$393 |
| 18 | Froid | \$328 |
| 19 | Fromberg | \$855 |
| 20 | Geraldine | \$457 |
| 21 | Glasgow | \$5,361 |
| 22 | Glendive | \$8,099 |
| 23 | Grass Range | \$254 |
| 24 | Great Falls | \$96,422 |
| 25 | Hamilton | \$7,148 |
| 26 | Hardin | \$5,920 |
| 27 | Harlem | \$1,422 |
| 28 | Harlowton | \$1,678 |
| 29 | Havre | \$16,223 |
| 30 | Helena | \$45,877 |

| | | |
|----|---------------|-----------|
| 1 | Hingham | \$263 |
| 2 | Hobson | \$397 |
| 3 | Hot Springs | \$912 |
| 4 | Hysham | \$482 |
| 5 | Ismay | \$43 |
| 6 | Joliet | \$1,006 |
| 7 | Jordan | \$606 |
| 8 | Judith Gap | \$263 |
| 9 | Kalispell | \$28,144 |
| 10 | Kevin | \$304 |
| 11 | Laurel | \$10,804 |
| 12 | Lavina | \$361 |
| 13 | Lewistown | \$10,170 |
| 14 | Libby | \$4,475 |
| 15 | Lima | \$397 |
| 16 | Livingston | \$12,145 |
| 17 | Lodge Grass | \$889 |
| 18 | Malta | \$3,389 |
| 19 | Manhattan | \$2,485 |
| 20 | Medicine Lake | \$410 |
| 21 | Melstone | \$234 |
| 22 | Miles City | \$14,152 |
| 23 | Missoula | \$104,264 |
| 24 | Moore | \$319 |
| 25 | Nashua | \$536 |
| 26 | Neihart | \$149 |
| 27 | Opheim | \$180 |
| 28 | Outlook | \$125 |
| 29 | Philipsburg | \$1,612 |
| 30 | Pinesdale | \$1,413 |

| | | |
|----|----------------|---------|
| 1 | Plains | \$2,007 |
| 2 | Plentywood | \$3,185 |
| 3 | Plevna | \$225 |
| 4 | Polson | \$7,722 |
| 5 | Poplar | \$1,544 |
| 6 | Red Lodge | \$3,903 |
| 7 | Rexford | \$263 |
| 8 | Richey | \$309 |
| 9 | Ronan | \$3,262 |
| 10 | Roundup | \$3,280 |
| 11 | Ryegate | \$465 |
| 12 | Saco | \$354 |
| 13 | Scobey | \$1,798 |
| 14 | Shelby | \$5,677 |
| 15 | Sheridan | \$1,150 |
| 16 | Sidney | \$7,747 |
| 17 | Stanford | \$737 |
| 18 | Stevensville | \$3,063 |
| 19 | St. Ignatius | \$1,367 |
| 20 | Sunburst | \$709 |
| 21 | Superior | \$1,521 |
| 22 | Terry | \$1,011 |
| 23 | Thompson Falls | \$2,272 |
| 24 | Three Forks | \$3,130 |
| 25 | Townsend | \$3,286 |
| 26 | Troy | \$1,654 |
| 27 | Twin Bridges | \$695 |
| 28 | Valier | \$817 |
| 29 | Virginia City | \$223 |
| 30 | Walkerville | \$1,183 |

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|---|-----------------------|---------|
| 1 | West Yellowstone | \$2,083 |
| 2 | Westby | \$263 |
| 3 | White Sulphur Springs | \$1,734 |
| 4 | Whitefish | \$9,932 |
| 5 | Whitehall | \$1,889 |
| 6 | Wibaux | \$893 |
| 7 | Winifred | \$259 |
| 8 | Winnett | \$314 |
| 9 | Wolf Point | \$4,497 |

10 ~~(ii)(i)~~ The department shall calculate the average annual growth rate of the Montana gross state product,
 11 as published by the bureau of economic analysis of the United States department of commerce, for the following
 12 periods:

13 (A) the last 4 calendar years for which the information has been published; and

14 (B) the 4 calendar years beginning with the year before the first year in the period referred to in
 15 subsection ~~(3)(a)(iii)(A)~~ (3)(a)(i)(A).

16 ~~(iii)(ii)~~ The department shall calculate the average annual growth rate of Montana personal income, as
 17 published by the bureau of economic analysis of the United States department of commerce, for the following
 18 periods:

19 (A) the last 4 calendar years for which the information has been published; and

20 (B) the 4 calendar years beginning with the year before the first year in the period referred to in
 21 subsection ~~(3)(a)(iii)(A)~~ (3)(a)(ii)(A).

22 (b) ~~(i)~~ The entitlement share pool growth rate for the first each year of the biennium must be the following
 23 percentage of the average of the growth rates calculated in subsections ~~(3)(a)(iii)(B)~~ (3)(a)(i)(B) and ~~(3)(a)(iii)(B)~~
 24 (3)(a)(ii)(B):

25 ~~(A)(i)~~ (i) for counties, 54%;

26 ~~(B)(ii)~~ (ii) for consolidated local governments, 62%; and

27 ~~(C)(iii)~~ (iii) for incorporated cities and towns, 70%.

28 ~~(ii)~~ The entitlement share pool growth rate for the second year of the biennium must be the following
 29 percentage of the average of the growth rates calculated in subsections ~~(3)(a)(ii)(A)~~ and ~~(3)(a)(iii)(A)~~:

30 ~~(A)~~ for counties, 54%;

1 ~~—— (B) for consolidated local governments, 62%; and~~

2 ~~—— (C) for incorporated cities and towns, 70%.~~

3 (4) As used in this section, "local government" means a county, a consolidated local government, an
4 incorporated city, and an incorporated town. A local government does not include a tax increment financing
5 district provided for in subsection (6) ~~(7)~~. ~~For purposes of calculating the base year component for a county or~~
6 ~~consolidated local government, the department shall include the revenue listed in subsection (1) for all special~~
7 ~~districts within the county or consolidated local government.~~ The county or consolidated local government is
8 responsible for making an allocation from the county's or consolidated local government's share of the entitlement
9 share pool to each special district within the county or consolidated local government in a manner that reasonably
10 reflects each special district's loss of revenue sources ~~listed in subsection (1) for which reimbursement is provided~~
11 in this section.

12 (5) (a) The entitlement share pools calculated in this section, the amounts determined under [section
13 1(2)(b)] for local governments, and the ~~block grants funding~~ provided for in subsection (6) ~~(7)~~, including the
14 amounts determined under [section 1(3)(b)], are statutorily appropriated, as provided in 17-7-502, from the
15 general fund to the department for distribution to local governments. ~~Each local government is entitled to a pro~~
16 ~~rata share of each year's entitlement share pool based on the local government's base component in relation to~~
17 ~~the base year entitlement share pool. The~~ Except for the distribution made under [section 1(2)(b)], the
18 distributions must be made on a quarterly basis.

19 (b) (i) The growth amount is the difference between the entitlement share pool in the current fiscal year
20 and the entitlement share pool in the previous fiscal year. ~~For the purposes of subsection (5)(b)(ii)(A), a county~~
21 ~~with a negative base year component has a base year component of zero.~~ The growth factor in the entitlement
22 share must be calculated separately for:

23 (A) counties;

24 (B) consolidated local governments; and

25 (C) incorporated cities and towns.

26 (ii) In each fiscal year, the growth amount for counties must be allocated as follows:

27 (A) 50% of the growth amount must be allocated based upon each county's percentage of the ~~base~~ prior
28 fiscal year entitlement share pool for all counties; and

29 (B) 50% of the growth amount must be allocated based upon the percentage that each county's
30 population bears to the state population not residing within consolidated local governments as determined by the

1 latest interim year population estimates from the Montana department of commerce as supplied by the United
2 States bureau of the census.

3 (iii) In each fiscal year, the growth amount for consolidated local governments must be allocated as
4 follows:

5 (A) 50% of the growth amount must be allocated based upon each consolidated local government's
6 percentage of the ~~base~~ prior fiscal year entitlement share pool for all consolidated local governments; and

7 (B) 50% of the growth amount must be allocated based upon the percentage that each consolidated local
8 government's population bears to the state's total population residing within consolidated local governments as
9 determined by the latest interim year population estimates from the Montana department of commerce as
10 supplied by the United States bureau of the census.

11 (iv) In each fiscal year, the growth amount for incorporated cities and towns must be allocated as follows:

12 (A) 50% of the growth amount must be allocated based upon each incorporated city's or town's
13 percentage of the ~~base~~ prior fiscal year entitlement share pool for all incorporated cities and towns; and

14 (B) 50% of the growth amount must be allocated based upon the percentage that each city's or town's
15 population bears to the state's total population residing within incorporated cities and towns as determined by the
16 latest interim year population estimates from the Montana department of commerce as supplied by the United
17 States bureau of the census.

18 (v) In each fiscal year, the amount of the entitlement share pool ~~not represented by~~ before the growth
19 amount or adjustments are made under subsection (6) are applied ~~is to be~~ distributed to each local government
20 in the same manner as the entitlement share pool was distributed in the prior fiscal year.

21 (6) If the legislature enacts a reimbursement provision that is to be distributed pursuant to this section,
22 the department shall determine the reimbursement amount as provided in the enactment and add the appropriate
23 amount to the entitlement share distribution under this section. The total entitlement share distributions in a fiscal
24 year, including distributions made pursuant to this subsection, equal the local fiscal year entitlement share pool.
25 The ratio of each local government's distribution from the entitlement share pool must be recomputed to
26 determine each local government's ratio to be used in the subsequent year's distribution determination under
27 subsections (5)(b)(ii)(A), (5)(b)(iii)(A), and (5)(b)(iv)(A).

28 ~~(6)(7)~~ (a) If a tax increment financing district was not in existence during the fiscal year ending June 30,
29 2000, then the tax increment financing district is not entitled to any ~~block grant funding~~. If a tax increment
30 financing district referred to in subsection ~~(6)(b)~~ (7)(b) terminates, then the ~~block grant funding for the district~~

1 provided for in subsection ~~(6)(b)~~ (7)(b) terminates.

2 ~~(b) One-half~~ Except for the reimbursement made under [section 1(3)(b)], one-half of the payments
3 provided for in this subsection ~~(6)(b)~~ (7)(b) must be made by November 30 and the other half by May 31 of each
4 year. Subject to subsection ~~(6)(a)~~ (7)(a), the entitlement share for tax increment financing districts is as follows:

| | | | |
|----|----------------------------|---------------------------------------|-------------------------------------|
| 5 | Cascade | Great Falls - downtown | \$468,966 |
| 6 | Deer Lodge | TIF District 1 | 3,148 |
| 7 | Deer Lodge | TIF District 2 | 3,126 |
| 8 | Flathead | Kalispell - District 1 | 758,359 |
| 9 | Flathead | Kalispell - District 2 | 5,153 |
| 10 | Flathead | Kalispell - District 3 | 41,368 |
| 11 | Flathead | Whitefish District | 164,660 |
| 12 | Gallatin | Bozeman - downtown | 34,620 |
| 13 | Lewis and Clark | Helena - #2 | 731,614 |
| 14 | Missoula | Missoula - 4-1B & 1-1C | 4,100,507 <u>250,279</u> |
| 15 | Missoula | Missoula - 4-1C | 33,343 |
| 16 | Silver Bow | Butte - uptown | 283,801 |
| 17 | Yellowstone | Billings | 436,815 |

18 ~~(7)(8)~~ The estimated base fiscal year entitlement share pool and any subsequent entitlement share pool
19 for local governments do not include revenue received from tax increment financing districts, from countywide
20 transportation block grants, or from countywide retirement block grants.

21 ~~(8) (a) If revenue that is included in the sources listed in subsections (1)(b) through (1)(c) is significantly~~
22 ~~reduced, except through legislative action, the department shall deduct the amount of revenue loss from the~~
23 ~~entitlement share pool beginning in the succeeding fiscal year and the department shall work with local~~
24 ~~governments to propose legislation to adjust the entitlement share pool to reflect an allocation of the loss of~~
25 ~~revenue.~~

26 ~~(b) For the purposes of subsection (8)(a), a significant reduction is a loss that causes the amount of~~
27 ~~revenue received in the current year to be less than 95% of the amount of revenue received in the base year.~~

28 (9) A three-fifths vote of each house is required to reduce the amount of the entitlement share calculated
29 pursuant to subsections (1) through (3).

30 (10) When there has been an underpayment of a local government's share of the entitlement share pool,

1 the department shall distribute the difference between the underpayment and the correct amount of the
2 entitlement share. When there has been an overpayment of a local government's entitlement share, the local
3 government shall remit the overpaid amount to the department.

4 (11) A local government may appeal the department's estimation of the base ~~year~~ component, the
5 entitlement share pool growth rate, or a local government's allocation of the entitlement share pool, according
6 to the uniform dispute review procedure in 15-1-211.

7 (12) A payment required pursuant to this section may not be offset by a debt owed to a state agency by
8 a local government in accordance with Title 17, chapter 4, part 1."

9
10 **Section 3.** Section 15-6-138, MCA, is amended to read:

11 **"15-6-138. Class eight property -- description -- taxable percentage.** (1) Class eight property
12 includes:

13 (a) all agricultural implements and equipment that are not exempt under 15-6-207 or 15-6-220;

14 (b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-219, and supplies
15 except those included in class five;

16 (c) all oil and gas production machinery, fixtures, equipment, including pumping units, oil field storage
17 tanks, water storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication
18 towers, gas metering shacks, treaters, gas separators, water flood units, gas boosters, and similar equipment
19 that is skidable, portable, or movable, tools that are not exempt under 15-6-219, and supplies except those
20 included in class five;

21 (d) all manufacturing machinery, fixtures, equipment, tools, except a certain value of hand-held tools and
22 personal property related to space vehicles, ethanol manufacturing, and industrial dairies and milk processors
23 as provided in 15-6-220, and supplies except those included in class five;

24 (e) all goods and equipment that are intended for rent or lease, except goods and equipment that are
25 specifically included and taxed in another class;

26 (f) special mobile equipment as defined in 61-1-101;

27 (g) furniture, fixtures, and equipment, except that specifically included in another class, used in
28 commercial establishments as defined in this section;

29 (h) x-ray and medical and dental equipment;

30 (i) citizens' band radios and mobile telephones;

(j) radio and television broadcasting and transmitting equipment;

(k) cable television systems;

(l) coal and ore haulers;

(m) theater projectors and sound equipment; and

(n) all other property that is not included in any other class in this part, except that property that is subject to a fee in lieu of a property tax.

(2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 18,000 pounds an axle and that are primarily designed and used to transport coal, ore, or other earthen material in a mining or quarrying environment.

(3) "Commercial establishment" includes any hotel, motel, office, petroleum marketing station, or service, wholesale, retail, or food-handling business.

(4) Class eight property is taxed at 3% of its market value.

(5) (a) The first \$80,000 of market value of class eight property of a person owned by an individual or business entity that owns an aggregate of \$20,000 or less in market value of class eight property is exempt from taxation.

(b) (i) The department shall, by rule, establish reporting requirements that will not allow multiple business identities to be formed to obtain multiple exemption thresholds for what are functionally single businesses. The rules may require individual and taxpayer identification numbers for pass-through entities, as defined in 15-30-101, and their owners, partners, and officers to allow the department to track exemptions through the entities.

(ii) Whenever one member of a firm or one of the proper officers of a corporation has made a statement showing the property of the firm or corporation, another member of the firm or another officer is not required to include the property in that person's statement but the statement must show the name of the person or officer who made the statement in which the property is included.

(iii) The fact that a statement is not required or that a person has not made a statement, under oath or otherwise, does not relieve the person's property from taxation."

Section 4. Section 15-6-219, MCA, is amended to read:

"15-6-219. Personal and other property exemptions -- allocation of certain exemptions. (1) The following categories of property are exempt from taxation:

1 ~~(1)~~(a) harness, saddlery, and other tack equipment;

2 ~~(2)~~(b) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily
3 hand-held and that are used to:

4 ~~(a)~~(i) construct, repair, and maintain improvements to real property; or

5 ~~(b)~~(ii) repair and maintain machinery, equipment, appliances, or other personal property;

6 ~~(3)~~(c) all household goods and furniture, including but not limited to clocks, musical instruments, sewing
7 machines, and wearing apparel of members of the family, used by the owner for personal and domestic purposes
8 or for furnishing or equipping the family residence;

9 ~~(4)~~(d) a bicycle, as defined in 61-8-102, used by the owner for personal transportation purposes;

10 ~~(5)~~(e) items of personal property intended for rent or lease in the ordinary course of business if each item
11 of personal property satisfies all of the following:

12 ~~(a)~~(i) the acquired cost of the personal property is less than \$15,000;

13 ~~(b)~~(ii) the personal property is owned by a business whose primary business income is from rental or
14 lease of personal property to individuals and no one customer of the business accounts for more than 10% of the
15 total rentals or leases during a calendar year; and

16 ~~(c)~~(iii) the lease of the personal property is generally on an hourly, daily, or weekly basis;

17 (f) the specified amount or less of market value of class eight property exempt under 15-6-138(5) not
18 otherwise exempt from property taxation owned by an individual or business entity that is identified by a unique
19 taxpayer identification number;

20 (g) items of personal property with a market value of less than \$100;

21 ~~(6)~~(h) space vehicles and all machinery, fixtures, equipment, and tools used in the design, manufacture,
22 launch, repair, and maintenance of space vehicles that are owned by businesses engaged in manufacturing and
23 launching space vehicles in the state or that are owned by a contractor or subcontractor of that business and that
24 are directly used for space vehicle design, manufacture, launch, repair, and maintenance;
25 and

26 ~~(7)~~(i) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
27 33-25-105.

28 (2) (a) For determining the amount of a taxpayer's class eight property that is subject to taxation, the
29 department shall allocate the market value of class eight business equipment that is exempt from taxation under
30 subsection (1)(f) as provided in this subsection (2).

1 (b) If the class eight business equipment of the taxpayer is used in a single location, the market value
2 of the exempt property is allocated to that location.

3 (c) If the class eight business equipment of the taxpayer is used in more than one location, the market
4 value of the exempt property must be allocated to each location in the ratio that the total market value of class
5 eight property at that location bears to the total market value of class eight property of the taxpayer at all
6 locations.

7 (d) The allocations determined under subsections (2)(b) and (2)(c) must be converted to taxable value
8 using the tax rate under 15-6-138 and must be reported to counties for the purpose of determining county
9 classification under 7-1-2111."

10
11 **Section 5.** Section 15-8-301, MCA, is amended to read:

12 **"15-8-301. Statement -- what to contain.** (1) The department may require from a person a statement
13 under oath setting forth specifically all the real and personal property owned by, in possession of, or under the
14 control of the person at midnight on January 1. The statement must be in writing, showing separately:

15 (a) all property belonging to, claimed by, or in the possession or under the control or management of the
16 person;

17 (b) all property belonging to, claimed by, or in the possession or under the control or management of any
18 firm of which the person is a member;

19 (c) all property belonging to, claimed by, or in the possession or under the control or management of any
20 corporation of which the person is president, secretary, cashier, or managing agent;

21 (d) the county in which the property is situated or in which the property is liable to taxation and, if liable
22 to taxation in the county in which the statement is made, also the city, town, school district, road district, or other
23 revenue districts in which the property is situated;

24 (e) an exact description of all lands, improvements, and personal property;

25 (f) all depots, shops, stations, buildings, and other structures erected on the space covered by the
26 right-of-way and all other property owned by any person owning or operating any railroad within the county.

27 (2) The department shall notify the taxpayer in the statement for reporting personal property owned by
28 a business or used in a business that the statement is for reporting business equipment and other business
29 personal property described in Title 15, chapter 6, part 1. A Except as provided in subsection (3), a taxpayer
30 owning exempt business equipment is subject to limited reporting requirements; however, However, all new

businesses shall report their class eight property so that the department can determine the market value of the property. The department shall by rule develop reporting requirements for business equipment to limit the annual reporting of exempt business equipment to the extent feasible.

(3) In the reporting of exempt business equipment under 15-6-219(1)(f), the department shall, by rule, establish reporting requirements that will prevent the use of multiple business identities to obtain multiple exemptions for what are functionally single businesses. The rules must require a unique taxpayer identification number for an individual and business entity to allow the department to track exemptions of all individuals and business entities. The department shall use the information obtained under this subsection to allocate the market value of exempt business equipment as provided in 15-6-219(2).

~~(3)~~(4) Whenever one member of a firm or one of the proper officers of a corporation has made a statement showing the property of the firm or corporation, another member of the firm or another officer is not required to include the property in that person's statement but the statement must show the name of the person or officer who made the statement in which the property is included.

~~(4)~~(5) The fact that a statement is not required or that a person has not made a statement, under oath or otherwise, does not relieve the person's property from taxation."

Section 6. Section 15-10-420, MCA, is amended to read:

"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's value of newly taxable property, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using

1 the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

2 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional
3 levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly
4 taxable property.

5 (3) (a) For purposes of this section, newly taxable property includes:

6 (i) annexation of real property and improvements into a taxing unit;

7 (ii) construction, expansion, or remodeling of improvements;

8 (iii) transfer of property into a taxing unit;

9 (iv) subdivision of real property; and

10 (v) transfer of property from tax-exempt to taxable status.

11 (b) Newly taxable property does not include an increase in value that arises because of an increase in
12 the incremental value within a tax increment financing district.

13 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
14 release of taxable value from the incremental taxable value of a tax increment financing district because of:

15 (i) a change in the boundary of a tax increment financing district;

16 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

17 (iii) the termination of a tax increment financing district.

18 (b) If a tax increment financing district terminates prior to the certification of taxable values as required
19 in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment
20 financing district terminates. If a tax increment financing district terminates after the certification of taxable values
21 as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

22 (c) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real
23 property that results in the property being taxable as class four property or as nonqualified agricultural land as
24 described in 15-6-133(1)(c).

25 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

26 (a) school district levies established in Title 20; or

27 (b) the portion of a governmental entity's property tax levy for premium contributions for group benefits
28 excluded under 2-9-212 or 2-18-703.

29 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received
30 under 15-6-131 and 15-6-132.

(7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:
(a) may increase the number of mills to account for a decrease in reimbursements;
(b) may not increase the number of mills to account for a loss of tax base because of legislative action that is reimbursed under the provisions of 15-1-121(6).

(8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes of 15-10-107, 20-9-331, 20-9-333, 20-9-360, 20-25-423, and 20-25-439. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections. The mill calculation must be established in whole mills. If the mill levy calculation does not result in a whole number of mills, then the calculation must be rounded up to the nearest whole mill.

(9) (a) The provisions of subsection (1) do not prevent or restrict:
(i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;
(ii) a levy to repay taxes paid under protest as provided in 15-1-402; or
(iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326.
(b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes actually assessed in a subsequent year.

(10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.

(11) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

SECTION 7. SECTION 17-7-502, MCA, IS AMENDED TO READ:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407; 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; section 11; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202, 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010.)"

Section 8. Section 20-9-366, MCA, is amended to read:

"20-9-366. Definitions. As used in 20-9-366 through 20-9-371, the following definitions apply:

(1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000,

1 with the quotient divided by the total county elementary ANB count or the total county high school ANB count
2 used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement
3 amounts.

4 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an
5 eligible district means the taxable valuation in the previous year of all property in the district divided by the sum
6 of the district's current year BASE budget amount less direct state aid and the state special education allowable
7 cost payment.

8 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation in
9 the previous year of all property in the district divided by 1,000, with the quotient divided by the ANB count of the
10 district used to calculate the district's current year total per-ANB entitlement amount.

11 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes,
12 means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 140% and
13 divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school
14 ANB count used to calculate the elementary school districts' and high school districts' current year total per-ANB
15 entitlement amounts.

16 (4) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base
17 ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the taxable
18 valuation in the previous year of all property in the state, multiplied by ~~175%~~ 184% and divided by the total sum
19 of either the state elementary school districts' or the high school districts' current year BASE budget amounts less
20 total direct state aid.

21 (b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school
22 retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all
23 property in the state, multiplied by ~~121%~~ 122% and divided by 1,000, with the quotient divided by the total state
24 elementary ANB count or the total state high school ANB amount used to calculate the elementary school
25 districts' and high school districts' current year total per-ANB entitlement amounts."

26
27 **NEW SECTION. Section 9. Notification to tribal governments.** The secretary of state shall send a
28 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
29 Chippewa tribe.
30

1 **NEW SECTION.** **Section 10. Codification instruction.** [Section 1] is intended to be codified as an
2 integral part of Title 15, chapter 1, part 1, and the provisions of Title 15, chapter 1, part 1, apply to [section 1].

3
4 **COORDINATION SECTION.** **Section 11. Coordination instruction.** If Senate Bill No. 2 and [this act]
5 are both passed and approved and they contain a section amending 20-9-366, then the section amending
6 20-9-366 in Senate Bill No. 2 is effective as provided in that bill, the section in [this act] amending 20-9-366 is
7 void, and 20-9-366 must be amended as follows on July 1, 2008:

8 **"20-9-366. Definitions.** As used in 20-9-366 through 20-9-371, the following definitions apply:

9 (1) "County retirement mill value per elementary ANB" or "county retirement mill value per high school
10 ANB" means the sum of the taxable valuation in the previous year of all property in the county divided by 1,000,
11 with the quotient divided by the total county elementary ANB count or the total county high school ANB count
12 used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement
13 amounts.

14 (2) (a) "District guaranteed tax base ratio" for guaranteed tax base funding for the BASE budget of an
15 eligible district means the taxable valuation in the previous year of all property in the district divided by the sum
16 of the district's current year BASE budget amount less direct state aid and the state special education allowable
17 cost payment.

18 (b) "District mill value per ANB", for school facility entitlement purposes, means the taxable valuation in
19 the previous year of all property in the district divided by 1,000, with the quotient divided by the ANB count of the
20 district used to calculate the district's current year total per-ANB entitlement amount.

21 (3) "Facility guaranteed mill value per ANB", for school facility entitlement guaranteed tax base purposes,
22 means the sum of the taxable valuation in the previous year of all property in the state, multiplied by 140% and
23 divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school
24 ANB count used to calculate the elementary school districts' and high school districts' current year total per-ANB
25 entitlement amounts.

26 (4) (a) "Statewide elementary guaranteed tax base ratio" or "statewide high school guaranteed tax base
27 ratio", for guaranteed tax base funding for the BASE budget of an eligible district, means the sum of the taxable
28 valuation in the previous year of all property in the state, multiplied by ~~175%~~ 203% and divided by the total sum
29 of either the state elementary school districts' or the high school districts' current year BASE budget amounts less
30 total direct state aid.

(b) "Statewide mill value per elementary ANB" or "statewide mill value per high school ANB", for school retirement guaranteed tax base purposes, means the sum of the taxable valuation in the previous year of all property in the state, multiplied by ~~424%~~ 122% and divided by 1,000, with the quotient divided by the total state elementary ANB count or the total state high school ANB amount used to calculate the elementary school districts' and high school districts' current year total per-ANB entitlement amounts."

NEW SECTION. Section 12. Appropriations. There is appropriated to the department of revenue \$493,020 from the general fund for the administration of the property tax exemption of class eight property provided for in [section 3], amending 15-6-138, for the 2009 biennium.

NEW SECTION. Section 13. Effective dates. (1) Except as provided in subsections (2) and (3), [this act] is effective July 1, 2007.

(2) [Sections 1 and 3 through 5] are effective January 1, 2008.

(3) [Section ~~7~~ 8] and the amendments to 20-9-366 in [section ~~40~~ 11] are effective July 1, 2008.

NEW SECTION. Section 14. Applicability. (1) [Sections 3 through 5] apply to property tax years beginning after December 31, 2007.

(2) [Sections ~~7~~ 8 and ~~40~~ 11] apply to school fiscal years beginning after June 30, 2008.

- END -